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BEFORE THE  
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
For Approval of Rate Increases and )  
Revised Rate Schedules and Rules )

DOCKET NO. 2006-0386

FILED  
2007 JUL 10 P 4: 21  
PUBLIC UTILITIES  
COMMISSION

DEPARTMENT OF DEFENSE'S SIXTH  
SET OF INFORMATION REQUESTS  
TO HAWAIIAN ELECTRIC COMPANY, INC.  
AND  
CERTIFICATE OF SERVICE

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ATTORNEY FOR  
DEPARTMENT OF DEFENSE

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

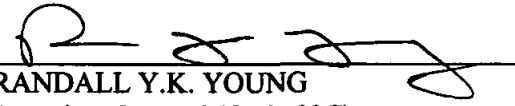
In the Matter of the Application of )  
HAWAIIAN ELECTRIC COMPANY, INC. )  
For Approval of Rate Increases and )  
Revised Rate Schedules and Rules )

DOCKET NO. 2006-0386

DEPARTMENT OF DEFENSE'S SIXTH  
SET OF INFORMATION REQUESTS  
TO HAWAIIAN ELECTRIC COMPANY, INC.

COMES NOW, DEPARTMENT OF DEFENSE ("Applicant") by and through its undersigned attorney and hereby submits its Sixth Set of Information Requests to Hawaiian Electric Company, Inc. ("HECO").

DATED: Honolulu, Hawaii, July 10 2007.

  
RANDALL Y.K. YOUNG  
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Pearl Harbor, HI 96860-3134  
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ATTORNEY FOR  
DEPARTMENT OF DEFENSE

DOCKET NO. 2006-0386  
DEPARTMENT OF DEFENSE'S SIXTH  
SET OF INFORMATION REQUESTS  
TO HAWAIIAN ELECTRIC COMPANY, INC.  
INSTRUCTIONS

In order to expedite and facilitate Department of Defense's review and analysis in the above matter, the following is requested:

1. For each response, HECO should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, HECO should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by HECO to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, HECO instructions, or any other relevant authoritative source which HECO used.
4. Should HECO claim that any information is not discoverable for any reason:
  - a. State all claimed privileges and objections to disclosure;
  - b. State all facts and reasons supporting each claimed privilege and objection;
  - c. State under what conditions HECO is willing to permit disclosure to Department of Defense (e.g., protective agreement, review at business offices, etc.); and

- d. If HECO claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that HECO claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).
5. Please provide each response in electronic format (if available) as well as paper. Please provide two copies of each response, with one copy going directly via overnight delivery to DOD at the following address:

Dr. Khojasteh Davoodi, P.E.  
EFACHES  
Utility Rates and Studies Office  
1322 Patterson Avenue, S.E.  
Building 33, Floor 3, Room/Cube 33-3002  
Washington, D.C. 20374  
E-mail: [Khojasteh.Davoodi@navy.mil](mailto:Khojasteh.Davoodi@navy.mil)  
Ph. (202) 685-3319  
Fax: (202) 433-7159

and one copy going directly via overnight delivery to DOD's consultant at the following address:

Ralph Smith  
Larkin & Associates  
15728 Farmington Road  
Livonia, MI 48154  
Fax: 734-522-1410  
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Ph. (734) 522-3420

DEPARTMENT OF DEFENSE'S SIXTH SET OF INFORMATION REQUESTS  
TO HAWAIIAN ELECTRIC COMPANY, INC.

DOCKET NO. 2006-0386

The following information requests are directed to HECO.

DOD-103

Interest deduction. Refer to HECO-WP-1502.

- a. Refer to HECO-WP-1502, page 2 of 5. After taking into account the impact of HECO's June 2007 update, what is the amount of (1) interest on long-term debt expense, (2) interest expense on short-term debt, (3) interest expense on hybrid securities, and (4) AFUDC on debt?
- b. After HECO's June 2007 update, at what amount and at what interest rate (or cost rate) is long-term debt reflected in HECO's capital structure?
- c. After HECO's June 2007 update, at what amount and at what interest rate (or cost rate) is short-term debt reflected in HECO's capital structure?
- d. After HECO's June 2007 update, at what amount and at what interest rate (or cost rate) are hybrid securities reflected in HECO's capital structure?
- e. What is HECO's proposed capital structure, cost rates for each component of such capital structure, and weighted cost of capital after HECO's June 2007 update? Show in detail.

- f. How did HECO determine the 30.72% ratio of debt to total AFUDC expenditures on HECO-WP-1502, page 2 of 5?
- g. Has HECO included any Construction Work in Progress (CWIP) in its proposed rate base? If so, please identify the amounts of CWIP that HECO has included. If different for HECO's original filing and for HECO's June 2007 update, please provide the respective amounts of CWIP for each.
- h. Has HECO included any other amounts in rate base that accrue AFUDC? If so, please identify the amounts that HECO has included. If different for HECO's original filing and for HECO's June 2007 update, please provide the respective amounts of CWIP for each.

DOD-104

Interest deduction.

- a. Is HECO familiar with the "interest synchronization" procedure?
- b. Please describe fully and in detail HECO's understanding of the "interest synchronization" procedure.
- c. Is HECO aware of whether any state utility regulatory commissions employ the "interest synchronization" procedure for determining the income tax expense allowance?
- d. If the answer to part c is affirmative, please state fully HECO's understanding of how many state utility regulatory commissions employ the "interest synchronization" procedure for determining the income tax expense allowance.

- e. Does HECO agree that the "interest synchronization" procedure properly synchronizes these aspects of the ratemaking formula: (1) rate base, (2) income tax expense allowance, and (3) weighted cost of debt, as used in the capital structure and reflected in the return on rate base? If not, explain fully why not.

DOD-105

Security services expense. Please refer to the response to CA-IR-339 and CA-IR-70.

- a. Please explain fully the staffing shortfall that HECO's security contractor has been experiencing (referenced in the explanation for CA-IR-339c).
- b. For how long has HECO's security contractor been experiencing staffing shortfalls? If exact information is not available, provide HECO's best estimates.
- c. Please identify the security contractor's actual hours through June 30, 2007 for each station: (1) Honolulu Station, (2) Kahe Station, (3) Waiau Station.
- d. Refer to CA-IR-339, attachment 2. Has any cost for the camera repairs budgeted for the Kahe Station been incurred through June 30, 2007? If so, please identify the dates and amounts. If not, when does HECO expect such repairs to be completed and at what total cost?

- e. Refer to CA-IR-339, attachment 2. Has any cost for the camera repairs and alarm monitoring budgeted for the Waiau Station been incurred through June 30, 2007? If so, please identify the dates and amounts. If not, when does HECO expect such repairs to be completed and at what total cost?
- f. What specifically is involved in the "alarm monitoring" for Waiau Station? Do the security contractor provided personnel perform the "alarm monitoring"? If not, who performs it? Why is there an extra cost for it?
- g. Why don't the other plants have a cost for "alarm monitoring"?

DOD-106

Dividend deduction. Refer to CAI-IR-385 and CA-IR-467.

- a. As a result of the dividend deduction, should state and federal income tax expenses be reduced by  $38.907744\% \times \$66,463 = \$25,859$ ?
- b. If not, what is the reduction to income tax expense related to reflecting the dividend deduction and how is it calculated?

DOD-107

Refer to the June 2007 update for HECO T-10, Attachments 8, 9 and 10. Also refer to HECO-1021, page 2 of 2.

- a. If a pension tracking mechanism, similar to the one that HECO is currently proposing, would have been in effect in 1995, what would the deferrals and rate impacts have been through 2007? Show in



detail by year. If exact amounts are not available, provide HECO's best estimates and show in detail how such estimates were derived.

- b. If an OPEB tracking mechanism, similar to the one that HECO is currently proposing, would have been in effect in 1995, what would the deferrals and rate impacts have been through 2007? Show in detail by year. If exact amounts are not available, provide HECO's best estimates and show in detail how such estimates were derived.
- c. If an OPEB tracking mechanism, similar to the one that HECO is currently proposing, would have been in effect in the first year in which HECO was allowed to use the FAS 106 accrual method for determining OPEB costs for ratemaking purposes, what would the deferrals and rate impacts have been? Show in detail by year. If exact amounts are not available, provide HECO's best estimates and show in detail how such estimates were derived.
- d. Refer to the June 2007 update for HECO T-10, Attachment 10 and to HECO-1021, page 2 of 2. Explain fully why contributions to the pension trust prior to 1995 are relevant to setting rates prospectively based on a 2007 test year adjusted for known and measurable changes.
- e. Refer to the June 2007 update for HECO T-10, Attachment 10. In each year from 1999 through 2007 in which HECO shows a zero amount as the "Contributions to Trust" identify what the maximum

tax-deductible contribution was for each such year. Include supporting documentation.

- f. Refer to the June 2007 update for HECO T-10, Attachment 10. (1) Please identify each rate case HECO had since 1986; (2) identify the test year used for each such rate case; (3) identify the amount of NPPC accrual recorded in each rate case test year; (4) identify the amount of pension expense in each test year that HECO had requested be reflecting in determining its revenue requirement; and (5) identify the amount of pension expense in each test year that was reflected in the revenue requirement approved by the Commission in each case. If exact amounts are not known, please provide HECO's best estimates and show in detail how such estimates were derived.
- g. Please provide a copy of any and all source documents used or relied upon by HECO to provide the information in part f.

DOD-108

Refer to the HECO June 2007 update for HECO T-10. Please provide all information from the HELCO case (Docket No. 05-0315) in HECO's possession and/or that is being relied upon by HECO, related to any of the following issues and including but not limited to:

- a. Any settlement between HELCO and other parties in the case.
- b. The Interim Decision and Order 23342 dated April 4, 2007.
- c. All testimony relating to the pension tracker, pension asset, pension liability and pension expense.

- d. All testimony relating to any OPEB tracker, OPEB asset, OPEB liability and OPEB expense.
- e. All schedules filed in the case showing whether HELCO had a pension asset or liability, and the related amounts.
- f. Whether HELCO proposed to amortize any pension asset, and the details of such amortization.
- g. Any testimony relating to any proposal by HELCO to amortize a pension asset.

DOD-109

In Docket 04-0113, HECO stated as follows in its reply brief:

“Technically, retroactive ratemaking occurs when an additional charge (over and above that of the tariff rate then in effect) is made for past use of utility service, or the utility is required to refund revenues collected pursuant to then lawfully established rates, for such past use.

Retroactive ratemaking also occurs when past deficits are made up by excessive charges in the future, or past profits are reduced by disallowances to future costs for ratemaking purposes. Response to CA-RIR-36a; Tr. (9/15) at 74-75 (Sekimura).”

- a. Admit that the proposal to charge ratepayers for \$5.055 million per year as shown on HECO’s June 2007 update, HECO T-10, Attachment 10, page 2 of 2, runs afoul of HECO’s own definition of “retroactive ratemaking.”

- b. If your answer to part a, is anything other than an unqualified admission, explain fully and provide supporting authority and documentation.

DOD-110

Refer to the June 2007 update for HECO T-10, Attachment 10. For all pension funding contributions made by HECO from 1999 through 2007, please identify the amount, payment date, and pension measurement year to which each such payment pertains.

DOD-111

Refer to the June 2007 update for HECO T-10, Attachment 10. Where on this schedule has HECO reflected the amounts collected from ratepayers for pension expense that was included in determining HECO's revenue requirement and rates?

DOD-112

Refer to HECO T-10, page 81, lines 18-21.

- a. Has HECO calculated its earned rate of return or return on equity for any year from 1994 through 2006? If so, please provide such calculations.
- b. In making the calculations provided in part a, does HECO remove from expenses and rate base, items that have been excluded by the Commission in rate cases? If so, please show exactly how HECO removed such items in its earned return calculations. If not, explain fully why not.
- c. Please list the return on rate base and return on equity earned by HECO in each year, 2004 through 2006.

Refer to HECO T-1, page 41, and to the Pension Funding Study that HECO filed with the Commission on or about May 30, 2007, per the directive of the Commission in the AOCI docket (Docket No. 05-0310).

- a. Was HECO's assumption of a 3 year period between rate cases utilized in the Pension Funding Study? If not, explain fully why not.
- b. Was a five-year period between rate cases assumed for HECO in the Pension Funding Study? (Attachment 3, page 1 of 31 of the Pension Funding Study states that for HECO a rate case is assumed in the initial year – 2007 for HECO – and “every five years thereafter.”) Explain fully the basis for the “major assumption” that HECO would have a rate case every five years.
- c. Refer to Attachment 3 to the Pension Funding Study. Explain fully how each of the “TY Pension Exp before Trar” (P1) amounts were determined, and why such amounts change after Year 4.
- d. Refer to Attachment 3 to the Pension Funding Study. Explain why the “Initial” Year and “Year 5” are assumed to be a “Rate Year.”
- e. Is the Company's pension funding policy in any way impacted by the ratemaking treatment of the pension asset? If so, please explain fully how the Company's pension funding policy is impacted by the ratemaking treatment of the pension asset.
- f. Would the Company's pension funding policy be any different if the Commission were to determine that the pension asset does not belong

in rate base? If so, please explain fully how the Company's pension funding policy would be impacted by the ratemaking treatment of the pension asset under such an outcome.

- g. Is the Company's pension funding policy in any way impacted by the ratemaking treatment of the amortization of the pension asset? If so, please explain fully how the Company's pension funding policy is impacted by the ratemaking treatment related to the amortization of the pension asset.
- h. Would the Company's pension funding policy be any different if the Commission were to determine that HECO's proposed amortization of the pension asset does not belong in operating expenses? If so, please explain fully how the Company's pension funding policy would be impacted by such ratemaking treatment.
- i. Is the Company's pension funding policy in any way impacted by whether a pension tracking mechanism is approved or not? If so, please explain fully how the Company's pension funding policy is impacted by whether a pension tracking mechanism is, or is not approved.
- j. Would the Company's pension funding policy be any different if the Commission were to reject HECO's proposed pension tracking mechanism? If so, please explain fully how the Company's pension funding policy would be impacted if HECO's proposed pension tracking mechanism were rejected.

- k. Is it HECO's opinion that the pension funding policy described in Attachment 1 to the Pension Funding Study will minimize the revenue requirement to ratepayers in the current HECO rate case? If so, please demonstrate how this is achieved. If not, explain fully why not.
- l. Is it HECO's opinion that the pension funding policy described in Attachment 1 to the Pension Funding Study will minimize the revenue requirement to ratepayers over a series of HECO's anticipated future rate cases? If so, please demonstrate how this is achieved. If not, explain fully why not.

DOD-114

Attachment 2 of the Pension Funding Study at page 1 of 78 states that one of the purposes of the study is to "evaluate the impact on ratepayers of various funding alternatives for the utility portion of the Pension Plan."

- a. Please clearly identify and explain which funding alternative that was evaluated in the study produces the least revenue requirement for ratepayers.
- b. Please identify exactly where in the study the results of the optimal pension funding alternative, and the revenue requirement impacts of this on ratepayers is shown.

- k. Is it HECO's opinion that the pension funding policy described in Attachment 1 to the Pension Funding Study will minimize the revenue requirement to ratepayers in the current HECO rate case? If so, please demonstrate how this is achieved. If not, explain fully why not.
- l. Is it HECO's opinion that the pension funding policy described in Attachment 1 to the Pension Funding Study will minimize the revenue requirement to ratepayers over a series of HECO's anticipated future rate cases? If so, please demonstrate how this is achieved. If not, explain fully why not.

DOD-114

Attachment 2 of the Pension Funding Study at page 1 of 78 states that one of the purposes of the study is to "evaluate the impact on ratepayers of various funding alternatives for the utility portion of the Pension Plan."

- a. Please clearly identify and explain which funding alternative that was evaluated in the study produces the least revenue requirement for ratepayers.
- b. Please identify exactly where in the study the results of the optimal pension funding alternative, and the revenue requirement impacts of this on ratepayers is shown.



- c. Has HECO adopted as its pension funding policy, the funding alternative described in the response to part a? If not, explain fully why not.

DOD-115

Refer to Attachment 2 of the Pension Funding Study, page 18 of 68.

Show in detail how each of the HECO revenue requirement amounts were calculated:

- a. \$31.067 million in all 3 scenarios for years 1-4.
- b. \$7.231 and \$8.424 million per year for years 5-10 in baseline scenario.
- c. \$23.471 and \$33.178 million per year for years 5-10 in the "less favorable economic scenario."
- d. \$1.287 and -\$2.531 million per year for years 5-10 in the "more favorable economic scenario."

DOD-116

Refer to Attachment 2 of the Pension Funding Study, pages 26-31 of 68.

- a. What is the basis for the 9% discount rate assumption? Show supporting calculations.
- b. What is the basis for the \$9.972 Prepaid in Column C? Show supporting calculations.
- c. Referring to note C, show in detail how the "cumulative net benefit to ratepayers at initial year" was determined. Identify all assumptions that were made in evaluating whether ratepayers had any benefit at the initial year, and the basis for determining the amount of such benefit.

DOD-117

Refer to Attachment 3 of the Pension Funding Study.

- a. Why are there no amounts for any of the HECO scenarios on the "Year 10" line? Explain fully.
- b. Using the assumptions made by HECO, is its pension expense anticipated to be non-existent after Year 9 under all of the HECO scenarios shown in Attachment 3 of the Pension Funding Study? What is the basis for making such an assumption? Explain fully.
- c. Does HECO plan to discontinue all of its defined benefit pension plans after "Year 9" in the Pension Funding Study? If so, explain fully the basis for such an assumption. If not, explain fully why not.

DOD-118

Refer to Attachment 2, pages 56-68 of 68 of the Pension Funding Study.

- a. Has Watson Wyatt ever advised a pension client to convert a defined benefit plan to another type of retirement plan, such as a defined contribution plan, in order to limit risk? If not, explain fully why not.
- b. Is Watson Wyatt aware of any instances in which companies have converted a defined benefit plan to another type of retirement plan, such as a defined contribution plan? If so, please describe such instances and the factors which led to such conversions.
- c. Did Watson Wyatt provide any advice to HECO or HECO's affiliates concerning making changes in any of the following areas that Watson Wyatt identified (on page 58 of 68) as "strategies for

responding” to the Pension Protection Act: (1) plan design, (2) asset allocation, or (3) actuarial assumptions and methods?

- d. If the answer to an item in part c is affirmative, please identify and explain fully the advice provided.
- e. Refer to page 63 of Attachment 2. Does HECO’s plan contain any “early retirement subsidies”? If so, please identify, quantify and explain such subsidies.
- f. Refer to page 63 of Attachment 2. Has HECO included any cost in the test year for any Nonqualified Deferred Compensation Plans of itself or affiliates? If so, please identify, quantify and explain fully all such costs, and identify the amounts in each account.
- g. Refer to page 67 of 68. Which of the “Short-term funding considerations” is HECO implementing and why? Explain fully.

DOD-119

Refer to HECO T-6 at page 37, lines 19-24. Please state the number of actual PSO&M Department filled positions for each category as of June 30, 2007.

DOD-120

Refer to HECO T-7 at page 70.

- a. What is the actual contribution (was estimated by HECO at \$675,000) and when was it paid?
- b. What is the service period of the DSG unit?
- c. Provide a copy of the DSG contract.

- d. The June 2007 Update for HECO T-17, pages 7 and 9 of 18 show zero for the "Unamortized DSG Regulatory Asset." Is this the same item discussed at HECO T-7, pages 70-71? If not, explain fully.
- e. Refer to the June 2007 Update for HECO T-6. Please reconcile the expenses for the cancelled Kaiser DSG project being removed in the amount of \$54,600 (on pages 2-3 of the update) with the \$30,000 mentioned on page 71, line 10 of T-10. Identify, quantify and explain each reconciling item.

DOD-121

Smart Signal, \$897,000. Refer to HECO T-6 at page 80.

- a. What is the useful life of Smart Signal?
- b. What annual savings in maintenance does HECO expect from Smart Signal? Include calculations and estimates.
- c. Did HECO prepare any type of cost-benefit analysis relating to Smart Signal? If so, please provide it.
- d. Provide all invoices for Smart Signal.
- e. If the invoices in part d do not add up to \$897,000, please identify, quantify and explain all differences.
- f. Is HECO aware of any other utilities that have installed Smart Signal?
- g. If the answer to part f is affirmative, please identify the utilities and the year that each installed Smart Signal.

- h. Has Smart Signal been in use at any utility for more than a three year period? If so, please identify all instances of which HECO is aware.
- i. Does HECO anticipate that Smart Signal will still be functioning beyond the end of its proposed three-year amortization period? If not, explain fully why not. If so, provide the basis for such anticipation.
- j. Does HECO have a "Project Identification Form – Authorize Project" type document (see, e.g., CA-IR-307 Attachment 5 for examples) for Smart Signal? If so, please provide it. If not, explain fully why not.

DOD-122

Refer to CA-IR-302 pages 6-8 of 8.

- a. Please provide the equivalent of page 7 of 8 showing actual employee counts for January through June 2007.
- b. Please explain fully and in detail how page 7 of 8 shows 1541 employees for January 2007 when the actual employee count at the end of 2006 was approximately 1445 (per page 8). What comprises the difference between the 1445 Company Total on page 8 for 2006 projected EOY and the 1541 Jan07 total on page 7? Identify, quantify and explain each component of the difference.
- c. As of June 30, 2007, please identify by department, the number of vacant positions.
- d. As of May 31, 2007, please identify by department, the number of vacant positions.

DOD-123

Refer to CA-IR-302 page 2 and 3 of 5.

- a. Has the correction for the portion of the regulatory asset for AFUDC Equity Gross up (CWIP Equity Ongoing) been reflected in HECO's June 2007 update? If so, where is this reflected.
- b. If not reflected in the June 2007 update, please identify the amount of correction needed, and include supporting calculations.

DOD-124

Refer to CA-IR-307, attachment 4, page 3 of 4.

- a. Please explain the 102% "Economy Factor" that HECO applied to the six year average of Customer Advances.
- b. For the "2007 receipts – estimate" why did HECO use \$125,000 or \$127,000 as opposed to \$120,000? Explain fully.
- c. Show in detail how the 90% "Transfer to CIAC Factor" was calculated.

DOD-125

EEI. Please break out the amount of Edison Electric Institute (EEI) dues in the 2007 test year into the following:

- a. Core dues
- b. Utility Solid Waste Activities Group (USWAG) membership dues
- c. Industry Structure Separately Funded Activities dues
- d. Environment Structure Separately Funded Activities dues

DOD-126

EEI. Please break out the amount of actual 2006 EEI dues into the following:

- a. Core dues
- b. Utility Solid Waste Activities Group (USWAG) membership dues
- c. Industry Structure Separately Funded Activities dues
- d. Environment Structure Separately Funded Activities dues

DOD-127

EEI

- a. Please provide EEI invoices for 2006 and 2007.
- b. Please show all amounts recorded by HECO for EEI in 2006 and 2007 by account and type of EEI dues. This would include all EEI dues that HECO recorded in operating expense accounts and below-the-line lobbying expense accounts (e.g., Account 426).
- c. Please show in detail how HECO determined the amount of EEI dues to be recorded to below-the-line accounts for 2006 and 2007 actual, and for its estimated 2007 test year EEI expense.
- d. Please provide all communications from EEI in 2006 and 2007 relating to identification of the portions of EEI dues relating to influencing legislation and EEI dues-funded activities that are considered "non-deductible" for federal income tax purposes.
- e. Please provide breakouts of EEI dues for each year 2005, 2006 and 2007 into the NARUC specified operating expense categories: (1) legislative advocacy, (2) legislative policy research, (3) regulatory advocacy, (4) regulatory policy research, (5) advertising, (6)

marketing, (7) utility operations and engineering, (8) finance, legal, planning and customer service, and (9) public relations.

DOD-128

Outside services general. Refer to the response to CA-IR-372.

- a. This response at page 2 of 5 states: "This higher level of political and community involvement requires a 2007 test year estimate of \$660,000." Please identify how much of the \$660,000 relates to the higher level of political involvement.
- b. Refer to page 2 of the response. Provide the information related to the proposed wind farm at Kahe.
- c. Refer to page 2 of the response. Provide the information related to understanding the viewpoint of the communities located in the West Oahu/Waianae area.
- d. Refer to page 2 of the response. Provide the information related to developing a community based wind education program.
- e. Refer to page 4. Explain fully why the outside consulting services related to coordination of speakers bureau engagements etc., with an emphasis on energy conservation and efficiency measures are not charged to a DSM program.
- f. Refer to page 5 of the response. Provide the information related to the potential to develop pumped hydro-storage projects.
- g. Refer to page 5 of the response. Provide the information related to the potential Kahaku area wind farm.



- h. Refer to page 5 of the response. Provide the information related to the resource conservation education program for the West Oahu community.
- i. Provide the invoices for the \$160,000 (page 2 of 5), the \$124,000 (page 3 of 5), the \$172,000 (page 3 of 5) the \$49,000 (page 4 of 5), the \$63,000 (page 4 of 5), and the \$21,000 (page 5 of 5).

DOD 129

Refer to the response to CA-IR-373.

- a. Does HECO record any donations or charitable contributions in below-the-line accounts, such as Account 426? If not, explain fully why not.
- b. Please refer to pages 3-6 of 6 of the response and explain in detail how HECO distinguishes the types of payments to the various groups and organizations under the banner of "Community Process" from donations and charitable contributions recorded in Account 426.

DOD-130

Refer to the response to CA-IR-376.

- a. Have all expenses related to "restricted stock" and stock based compensation, stock options, and incentive compensation been removed from test year operating expenses in HECO's June 2007 update?
- b. If the answer to part a is negative, please identify, quantify (showing the amounts remaining in each account) and explain all remaining

amounts for "restricted stock," stock options, and incentive compensation and other forms of stock based compensation.

DOD-131

Refer to CA-IR-379.

- a. What is HECO's definition of "Oncost."
- b. Why shouldn't the three non-recurring O&M projects identified in the response to CA-IR-379b be removed, since they have been identified as non-recurring? Explain fully why HECO has not removed these.

DOD-132

Refer to CA-IR-392.

- a. Please confirm that the \$91,544 for the Ellipse Migration project plant add estimate should be removed from plant rate base. If this cannot be confirmed, explain fully why not.
- b. Please confirm that the error relating to removal of the \$91,544 for the Ellipse Migration project was discovered too late to be reflected in HECO's June 2007 update, and is not reflected in HECO's June 2007 update. If this cannot be confirmed, explain fully why not.
- c. Page 2 of Attachment 1 to the response indicates that: "By starting the work in 2007 we plan to finish the work in 2008." Please break out the \$509,000 of O&M expense estimated for Account 921 and the remaining \$316,044 between (1) 2007 and (2) 2008.

- d. How do the amounts reflected in the 2007 by HECO relate to the amounts listed on page 6 of Attachment 1. Please identify, quantify and explain each reconciling item.

CERTIFICATE OF SERVICE

I hereby certify that one copy of the foregoing DEPARTMENT OF DEFENSE'S SIXTH SET OF INFORMATION REQUESTS TO HAWAIIAN ELECTRIC COMPANY, INC. was duly served upon the following parties, by personal service, hand-delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR sec. 6-61-21(d).

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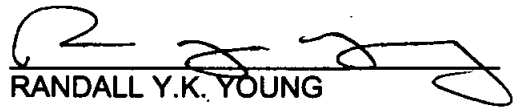
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DATED: Honolulu, Hawaii, July 10, 2007

  
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